Comment on
"Study 5: Station ownership and Programming in Radio"
by
Tasneem Chipty, CRA International, Inc. (June 24, 2007)

by
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Overall, we find Dr. Chipty's report to be clearly written and well-organized. She reveals her sources and methodology, and she appears to be well qualified to conduct the kind of quantitative econometric analysis that she produces on the relationship between ownership and radio formats. While she does not state specific research questions or hypotheses, she indicates a general goal of intending to study "the effects of radio ownership structure on content diversity, using. . . information from the third quarter of 2005" (p. 2). We would take this to include an understanding of varied facets of diversity, e.g., race and gender in ownership, variety in opinion and ideas in public service programming, access to the airwaves by local agents, and the level of service provided by broadcasters in the public interest.

Chipty's report takes a pro-industry approach, which essentially evaluates broadcast's performance with respect to its range of formats and the success of these in garnering listeners. Missing is any stated interest in the legal mandate for broadcasters "to serve the public interest, necessity and convenience," which has been a statutory requirement since passage of the Communications Act of 1934. Our review began with this principle and mandate in mind, as we sought to learn whether ownership consolidation has (1) narrowed the range of viewpoints in broadcast radio, and/or (2) lessened the amount of news and public affairs programming on radio? We reiterate that in the United States, stations utilizing the public airwaves have always had the responsibility to serve the public (the citizenry) and the cause of democracy by disseminating diverse views.

In a 92-page report, nearly half of which is comprised of tables, not one single table sufficiently addresses these basic public interest aspects of public airwave utilization. The report does reveal the paucity of non-music and non-sports programming to be quite serious; however, it fails to problematize this finding in its interpretation of the data. For example, Table 4 shows that among the stations surveyed, only 9% of daytime airtime is presently used for news, and, in the evening, that drops to 3%. By stark contrast, 25% and 18% of daytime and evening airtime, respectively, is used for advertising. The amount of regularly scheduled public service programming, by national or local companies, is not addressed at all. On page 19, the discussion summarizes these statistics without addressing their real meaning. Our own reading of these data is that the public's airwaves are being used for revenue-generation and not for disseminating public information, discussion, or debate. The lack of news and public affairs in either daytime or evening slots can only mean that radio stations in the United States today are by and large not fulfilling their public service obligation.

Similarly, we find the report's use of the concept "diversity" to be highly problematic and out-of-line with current understandings of the word, both in mass communication research and in media law. The Chipty report assumes "diversity" to mean how many different program formats a station airs (p. 3), rather than the ideas or other substantive content present within those formats. The report shows no awareness of definitions for "media diversity" arising from legislation, regulation, and case law. In these, the concept of diversity is one associated with the "marketplace of ideas" principle, contained in the First Amendment, and institutionalized in communication law, beginning with the Communications Act of 1934." The Chipty report substitutes variety in music and other entertainment for variety of perspectives related to information and debate, assuming that listeners and owners benefit equally from being entertained as they might from lively public debate. Therefore, the Chipty report fails to recognize that:

> [M]arket forces alone have not, to date, achieved this idealized marketplace of ideas. Therefore, policymakers have regulated the media in one way or another in an attempt to achieve a multitude of opinions. (Einstein, 2004, p. 2)

We would note that the more common (and accurate) understanding of diversity (in relation to broadcast content) cannot be ignored because its implications are very significant to the matter of ownership. Research shows that political content in radio can and does affect political behavior in the audience, and that ownership of stations is the most likely indicator of which perspectives will be contained in radio programming (Byerly, Langmia & Cupid, 2006; Squires, 2002; Siegelman & Waldfogel, 2001). The Chipty report acknowledges that:

> The top four station programs in the Edison Database are "Coast to Coast AM," "The Rush Limbaugh Show," "Sean Hannity," and "Savage Nation with Michael Savage. These programs are carried on multiple radio stations across the country and possibly within the same market. Other shows, which are not as widely distributed include "The Ed Schultz Show," a progressive radio talk show that is carried on radio stations across the country. . . and "The Bob Rose Show," a local talk show covering a range of topics including politics, sports and current events. . ." (p. 37)

The Chipty report does not report that all of these but the Ed Schultz show are right-wing programs, indicating the narrow, conservative range of ideas circulating on the nation's airwaves. We also note that all of these top radio hosts are white and male, demographic elements also shaping topics and perspectives. Further, Chipty's study does not address propaganda programming disguised as news, as in the case of broadcast commentator Armstrong Williams endorsing the *No Child Left Behind Act*. Williams was paid $240,000 to promote the current Bush administration's and the U.S. Department of Education's policy on his and other black broadcaster's radio and television programs, without disclosing his agency to the audiences (Toppo, 2005).

The Chipty report also makes the erroneous statement that "consolidation in local radio has no statistically significant effect on advertising prices" (Chipty, p.3). However, the increased cost of political commercials has far surpassed the rate of inflation and the cost of living. The Telecommunications Act of 1996 allowed a few national broadcasters, already oligopolies in most major broadcast markets, to gain further market share. One interesting result was that the cost of political advertising sharply increased. The 2000 national Presidential and 109 Congressional primary and general elections cost candidates and parties more than $500 million. In that election season, 45% of all monies raised were spent on broadcast media. Only 13% of monies raised were spent on payroll, 11% were spent on travel, 11% on overhead, 8% on mail, and 12% on "other" (FEC Annual Report, 2000). According to Congressional Quarterly (July, 2007) candidates in the 2004 Presidential election cycle received more than $920 million in campaign contributions.

One study reported that "local stations in all U.S. markets took in more than $1.6 billion in revenues from political advertising" (Kaplan et al., 2005). According to the *Washington Post*, a single 30-second commercial on broadcast television could cost [politicians] $100,000.00 (Edsall, 2004). The cost for politicians to get their messages to the citizens via broadcast radio and television clearly contradicts the purpose of the Telecommunications Act of 1996 to remove barriers of entry. As far as news coverage of candidates was concerned, 92% of the 4,333 regularly-scheduled half-hour TV news broadcasts contained no stories about local 2004 candidate races (Kaplan et al., 2005),

The cost of all political advertising on television grew from $90 million in 1980 to nearly $2 billion in the 2004 national elections (*FEC Annual Report*, 2005). During this same period, broadcast coverage of political conventions and caucuses fell from 100 hours in 1980 to less than 18 hours in 2004. In one investigation, a study of local political coverage found that stations devoted less than one-half of one percent to coverage of all 1998 governors' races (Cowan, 2003). Another study, examining the content of 44 television stations' news coverage from October 4 thru November 1, 2004, found that in typical half-hour news broadcast, less than three minutes were devoted to stories about local government (Lear, 2003)

The data from these studies provide conspicuous evidence supporting arguments that broadcasters have become indifferent in their role as watchdogs of government and democracy. Opponents of deregulation argue that, instead of broadcasters providing "informative" news coverage of local political campaigns and platforms, broadcasters instead wait for candidates to purchase over-priced, premium-priced airtime to share messages with voters, which does not appear to be in the public interest.

Perhaps broadcasters' biggest misstep with respect to the communication of public information programming, and serving in the public interest, was their failure to immediately alert U.S. citizens after the World Trade Center bombings on September 11, 2001. For 40 years, radio and television stations followed FCC regulations to run monthly "tests" of the Emergency Alert System (formerly, Emergency Broadcasting System [EBS]). Not a single radio or television station is on record as actually having performed the warning of a possible national attack or emergency, not even after the two planes were flown into the Twin Towers in New York City, a single plane crashed into the Pentagon in Washington DC, a third plane crashed in Pennsylvania, and a fifth plane was in distress on the tarmac at Cleveland International Airport.

News and information are essential to citizen safety. The EAS system is designed to alert the public of emergencies due to safety hazards, weather, and homeland attacks. The regular, weekly, mandatory real-time testing of the system by each broadcast station is designed to ensure all links and procedures are working properly (FCC Operating Handbook, 2003). The system requires the President *or* local government to "provide immediate information to the general public…as a means of emergency communication with the public in their state or local area" (FCC Operating Handbook, 2003, part III).

Mary Titus of Citizens for Legitimate Government, a partisan think-tank in Washington,

D.C, wrote to Suzanne Tetreault, associated chief of staff at the FCC Enforcement Bureau, questioning the failure to use the EAS for the September 11, 2001 attacks on the World Trade Center. Ms. Tetreault replied, "The EAS system was not activated on 9/11/01. A decision to activate EAS would be made by the president (for national level) or by the affected state (for state level), or by local authorities, so the FCC has no information on why EAS was not used that day" (Titus, 2003). In Summer and Fall 2005, more than four years later, the situation apparently had not improved when Hurricanes Katrina and Rita struck New Orleans, Mississippi and Southeast Texas. Neither are data as to broadcast warnings available on the 2007 Virginia Tech shootings.

With regard to ownership, the Chipty report overlooks the dominate affect of the three-company model of high-consumption demographics, where any three companies (e.g., Table 1) on average dominate 82% of all radio revenues in most major markets (Huntemann, 2005), leaving independent and minority stations to share 18% of the remaining radio market revenues. The current state of the broadcast industry, however, is one of captured regulators, and by all economic definitions an oligopoly industry. This situation must be taken at face value and considered in any economic study related to diversity and ownership, something required by law to encourage a multiplicity of voices and perspectives in a democratic society.

Table 1

Table 1. Detroit Radio Ownership Shares for 1996 & 2006

Owner 1996	Total # of stations	% Share of Revenue
Evergreen Media	4	17.94
Infinity Broad.	6	29.65
ABC Radio Inc.	2	13.53
Secret Comm.	2	11.96
Greater Media	2	9.63
Total	16	82.81

Owner 2006	Total # of stations	% Share of Revenue
Clear Channel	7	34.90
Viacom/CBS	6	30.60
ABC Radio Inc.	3	16.35
Total	16	81.85

Source: Data and method borrowed from Nina Beth Hunteman, 2005, U of Mass Amherst

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